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MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATIONS

*New Delhi, the 1st November 1962*

**No. F.3(21)-1/NS/62.**—It is notified for general information that Ten-Year Treasury Savings Deposits bearing interest at 4 per cent. per annum receivable under the Government of India, Ministry of Finance Notification No. F.2(15)-7/NS/57, dated the 27th May, 1957 will not be received with effect from the close of business on Friday the 9th November, 1962.

**No. F. 3(21)-2/NS/62.**—Ten-Year Defence Deposits bearing interest at  $4\frac{1}{2}$  per annum will be received from the 10th November, 1962 and until further notice at offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras, Bangalore and Nagpur, branches of the State Bank of India and its subsidiary banks conducting Government Treasury business, and at treasuries and sub-treasuries in India at places where there is no such office of the Reserve Bank of India or branch of the State Bank of India or any of its subsidiary banks.

**Ten-Year Defence Deposits.**

**2. Interest.**—The deposits will bear interest at  $4\frac{1}{2}$  per cent, per annum. Interest will be paid annually on the completion of each period of twelve calendar months from the date of deposit. If the deposit is withdrawn before maturity, no interest will be allowed for any lesser periods. It will not be liable to income-tax and will not also be taken into account in calculating the total income of the holder for purpose of income-tax.

**3. Place of payment of interest.**—Interest will be paid at any treasury or sub-treasury in India and at the Public Debt Offices at Bangalore, Bombay, Calcutta, Hyderabad, Madras, Nagpur, New Delhi and Patna. Holders who desire to have the interest remitted to them may forward the deposit certificates to the Public Debt Office for safe custody when interest will be drawn and remitted at the cost of the holders.

**4. (1) Date of repayment.**—The deposits will be repaid at par on the expiry of ten calendar years from the date of deposits. At the option of the depositors,

the deposits will be refunded at any time after the expiry of one year, after adjustment of discounts at the rates set out below:—

If the deposit is to be withdrawn after	1 year but before the expiry of 2 years	Rs. 2.25 for every Rs. 50
Do.	2 years but before the expiry of 3 years	Rs. 2.50 for every Rs. 50
Do.	3 years but before the expiry of 4 years	Rs. 3.25 for every Rs. 50
Do.	4 years but before the expiry of 5 years	Rs. 3.25 for every Rs. 50
Do.	5 years but before the expiry of 6 years	Rs. 2.75 for every Rs. 50
Do.	6 years but before the expiry of 7 years	Rs. 2.25 for every Rs. 50
Do.	7 years but before the expiry of 8 years	Rs. 2.00 for every Rs. 50
Do.	8 years but before the expiry of 9 years	Rs. 1.50 for every Rs. 50
Do.	9 years but before the expiry of 10 years	Rs. 0.75 for every Rs. 50
Do.	10 complete years	Nil.

(2) A certificate may, however, be encashed at par within the period of non-encashability under any of the following circumstances:—

- (i) on the death of the holder, or in the case of a joint holding on the death of both the holders;
- (ii) on forfeiture by a pledgee being a Gazetted Government Officer, where the pledge is in conformity with the provisions of this notification and of the Public Debt Rules, 1946;
- (iii) when ordered by a Court of Law.

5. (a) Deposits should be in multiples of Rs. 50 and may be made in cash or by cheque or 3½% Ten-Year Treasury Savings Deposit Certificates which have matured for refund of principal. Cheques tendered in payment at offices of the Reserve Bank of India or the State Bank of India or any of its subsidiary banks should be drawn in favour of the Bank concerned and cheques tendered at treasuries in favour of the Treasury officers. The 3½% Ten-Year Treasury Savings Deposit Certificates tendered by way of subscription should be duly discharged as under:—

"Received payment of Rs.....(in words and figures).

Signature (with date)."

(b) Interest on deposits made by cheque will run from the date the cheque along with the relative application is presented at an office authorised to receive deposits. Where 3½% Ten-Year Treasury Savings Deposit Certificates are tendered, the interest on the Deposit Certificate(s) to be issued in lieu thereof will run from the date of maturity of the old Deposit Certificates, or the 10th November, 1962 whichever is later.

(c) If the date of maturity of a 3½% Treasury Savings Deposit Certificate tendered for conversion is more than one year prior to the 10th November, 1962, interest on such Treasury Savings Deposit Certificate will be paid for one year at the rate of Rs. 3.50 for every Rs. 100 (Nominal) at the time of issue of the new certificate.

6. Deposits may be made by—

- (a) a single adult,
- (b) two adults jointly, repayable to them jointly or to either or survivor,
- (c) a guardian on behalf of a minor, and
- (d) associations and institutions.

7. The maximum amount that may be invested in these deposits including the amount invested in 3½% and 4% Ten-Year Treasury Savings Deposits in terms of the Government of India, Ministry of Finance, Notification No. 7(1)-B/51, dated 22nd January, 1951 and Notification No. F.2(15)-7/NS/57, dated 27th May, 1957 will be—

	Rs.
(a) For an individual . . . . .	25,000
(b) For an individual jointly with another . . . . .	50,000
(c) For an association or institution donations to which are exempt from payment of income-tax under Section 88 of the Income-tax Act, 1961 (43 of 1961), and a local authority . . . . .	1,00,000
(d) For institutions and associations other than Provident Funds and those covered by item (c) above . . . . .	50,000
(e) For Provident Funds . . . . .	No limit

NOTE (1).—"Provident Fund" means a provident fund to which the provisions of the Provident Fund Act, 1925 (19 of 1925) apply and includes a provident fund which has been and continues to be recognised by the Commissioner of Income-tax in accordance with the rules contained in Part A of the Fourth Schedule to the Income-tax Act, 1961 (43 of 1961) and a provident fund established by or under any law for the time being in force.

NOTE (2).—No holder shall under any circumstances hold more than twenty-five thousand rupees taking into account the holding in his own name as well as holding held by him jointly with any other holder. A holder may, however, retain holdings acquired by him as nominee, even if thereby his holding exceeds the prescribed limit. For the purpose of calculating the individual holding of Ten-Year Defence Deposit Certificates, when two persons hold jointly, one-half of the joint holdings shall be deemed to belong to each, and when two or more persons have been nominated in respect of the same certificate, they shall be deemed to hold it in equal shares.

NOTE (3).—If through any cause except by inheritance, survivorship, award by Government for meritorious services, nomination or statutory devolution, certificates are held in excess of the prescribed limit, the certificates representing the excess shall be cancelled and the deposit refunded without any interest whatsoever after deducting therefrom any amount that may have been paid deemed to hold it in equal shares.

NOTE (4).—In the case of—

- (a) a gazetted officer of the Government in an official capacity;
- (b) a local authority or any officer of such a local authority;
- (c) the Reserve Bank of India or a scheduled bank or a co-operative society including a co-operative bank;

or

- (d) a corporation or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956)

certificates transferred to any such person or institution by way of security shall not be taken into account towards the limit of the holding by such person or institution.

NOTE (5).—The term "local authority" shall mean a municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of a municipal or local fund.

8. Applications may be in the form annexed or in any other form which gives particulars of the amount deposited, the full name and address of the applicant, the amount of the deposit held by him individually or jointly with any one else, the name of the treasury from which he wishes to draw interest and his wishes regarding the remittance of interest to him by the Reserve Bank and in the case of joint-holders instructions as to the payment of the principal.

Where an application is made by a scheduled bank, a co-operative bank or a co-operative society on behalf of another person, it should make an endorsement below clause 9 of the form of application in the following manner:—

This application is signed by the.....on behalf  
(Name of Bank/society)

of the .....  
[Name(s)/Address(es) of the depositor(s)].

depositor/s who has/ have given the bank/society power to do so on his/their behalf  
and authority to deal with the Deposit Certificate which should be issued favouring  
us with the description

“Account .....”

(Name of beneficiary)

For and on behalf of.....

(Name of bank/society).

Signature.....

(Designation of the Officer signing on behalf of the Bank/society).

9. Certificates will be issued to the depositors for the amounts of deposits. These certificates will be transferable in the manner prescribed in the rules in this behalf and will also be eligible for nomination.

By order of the President,

SHIV NAUBH SINGH,

Joint Secretary to the Govt. of India.

## FORM OF APPLICATION

I/We.....  
(In Block Capital Letters with surname last)

\*tender cash/cheque/Discharged  $\frac{1}{2}$ % T. S. D. C. No. (s) .....for Rs.....

(amount in figures and words to be written here)

and request that  $\frac{1}{2}$ % Ten-Year Defence Deposit Certificate may be issued to me/us for the above amount.

2. I/We declare that Defence Deposit Certificate now proposed to be purchased together with  $\frac{3}{4}$  per cent. and 4 per cent. Treasury Savings Deposit Certificates, and  $\frac{1}{2}$  per cent. Defence Deposit Certificates, if any, already held will not exceed the maximum prescribed limit of Rs.....  
In case my/our total holding is at any time in excess of the prescribed limits, I/we shall be bound to discharge the excess holding immediately and shall not be entitled to any interest thereon.

NOTE.—For the purpose of calculating the holding of any applicant, his individual holding and one-half of any holding held jointly by the applicant with any other person shall be taken into account, and when two or more persons have been nominated in respect of the same certificate, they shall be deemed to hold it in equal shares.

3. We\*\* hereby declare that the donations to our association/institution are exempt from payment of Income-tax under section 88 of the Income-tax Act, 1961 (43 of 1961).

4.  $\frac{1}{2}$ The deposit is made by me as a guardian on behalf of.....  
a minor whose date of birth is .....

5. The principal amount may be paid to both of us jointly  $\frac{1}{2}$ either or survivor.

6.  $\frac{1}{2}$ Interest on the Deposit Certificate may be made payable at..... Treasury.

7.  $\frac{1}{2}$ The Deposit Certificate may be kept in the safe custody of the Public Debt Office.....and

(a) Interest thereon as and when it falls due may be remitted by Money Order to.....  
(here state the name and full address of the holder or one of the joint holders)

after deduction of the usual remittance charges at my/our risk and responsibility.

OR

(b) interest warrants thereon may be made  
payable at ..... (place).....  
(State Bank of India or any of its subsidiary banks or Treasury)  
and forwarded to.....  
(here state the name and full address of the holder or one of the joint-holders, or his/their duly constituted agent.)

OR

(c) interest warrants thereon may be forwarded to .....  
(Name of Bank or Post Office)  
for credit to my/our ..... Account No. ....

N.B.—In cases where securities are to be kept in safe custody with Public Debt Office, the mode of remittance of interest should be clearly stated by retaining only one of the clauses (a), (b) or (c).

8. The Deposit Certificate may be delivered from safe custody to both/either of us, while both of us are alive and to the survivor on the death of one of us.

9. I wish to make a nomination in respect of the certificate applied for and the necessary form of nomination duly completed is enclosed/I do not wish to make a nomination in respect of the certificate applied for at present.

Credited to special current/Government account on ..... Signature(s) .....

.....  
Agent/Treasury/Sub-Treasury Officer

Name (s) (in full) .....

Dated.....19 .

Address (in full) .....

\*\*Only for associations and institutions covered by paragraph 7 (c) of the relative Notification issued by the Government of India.

†NOTE. Separate application should be made for each form of subscription.

\*Delete items not required.  
§For joint applicants only.

‡For minors.  
§§Score out either paragraph 6 or 7 as the case may be.